



**2013 Governor's Conference on Postsecondary Education
Trusteeship**

Building a Stronger Workforce through Postsecondary Education

Higher Education: The Engine of Economic Growth and Competitiveness

Ted Abernathy

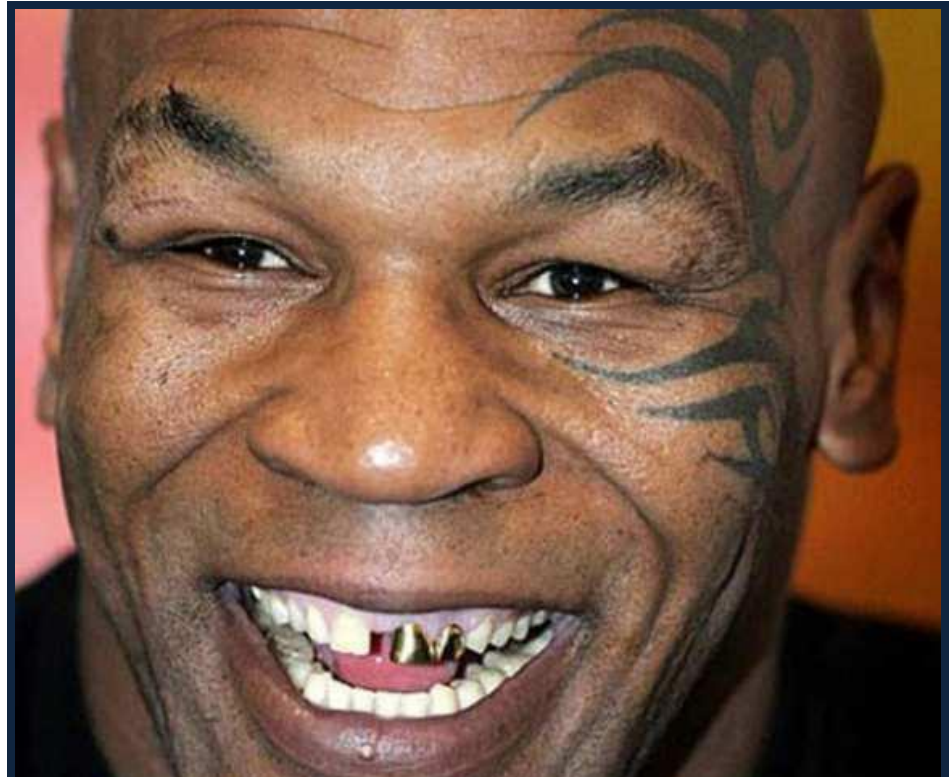
Executive Director
Southern Growth Policies Board



Higher Education The Engine Of Economic Growth and Competitiveness

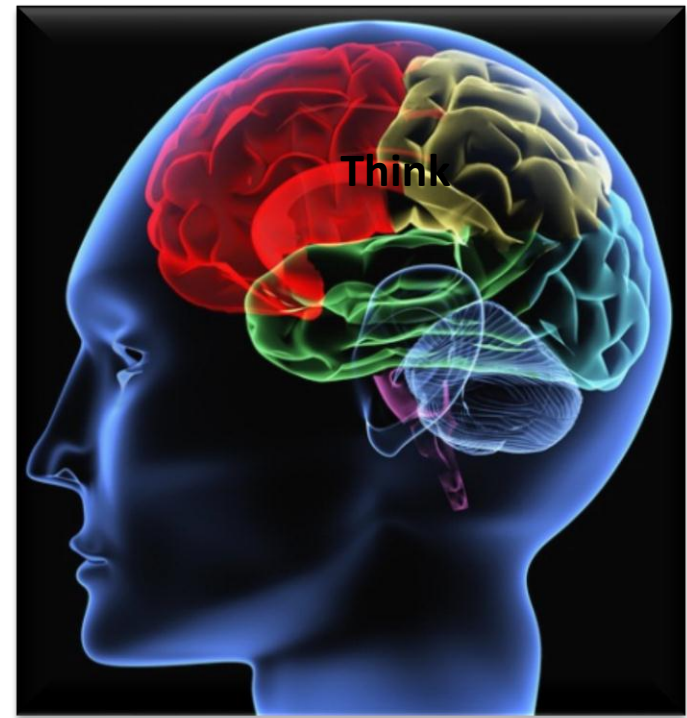


"Everyone
has a plan
'till they
get hit in
the mouth"



Mike Tyson

I Have Nothing
Profound the Say

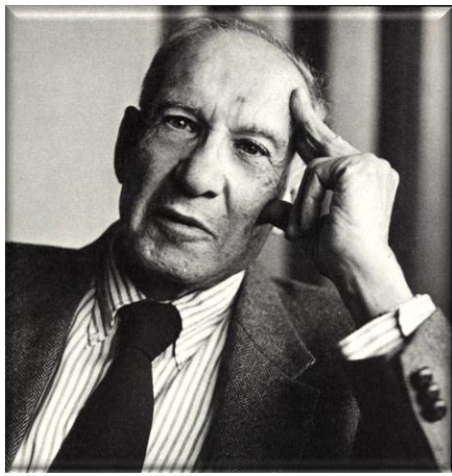


...except, many of the things we
all used to know we knew, have
changed

Today's Persistent New Reality

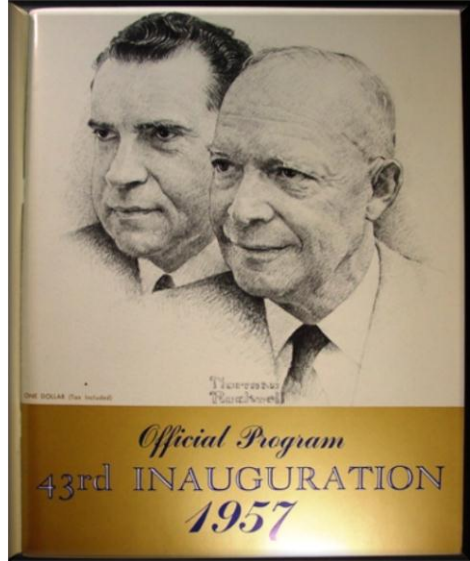
- The economy changed
- The competition changed
- Locational factors changed
- The U.S. workforce has changed
- The talent demands changed
- Life cycles have changed
- Tools have changed
- Customer (talent & companies) demands/expectations changed
- The pace of change and everything else changed



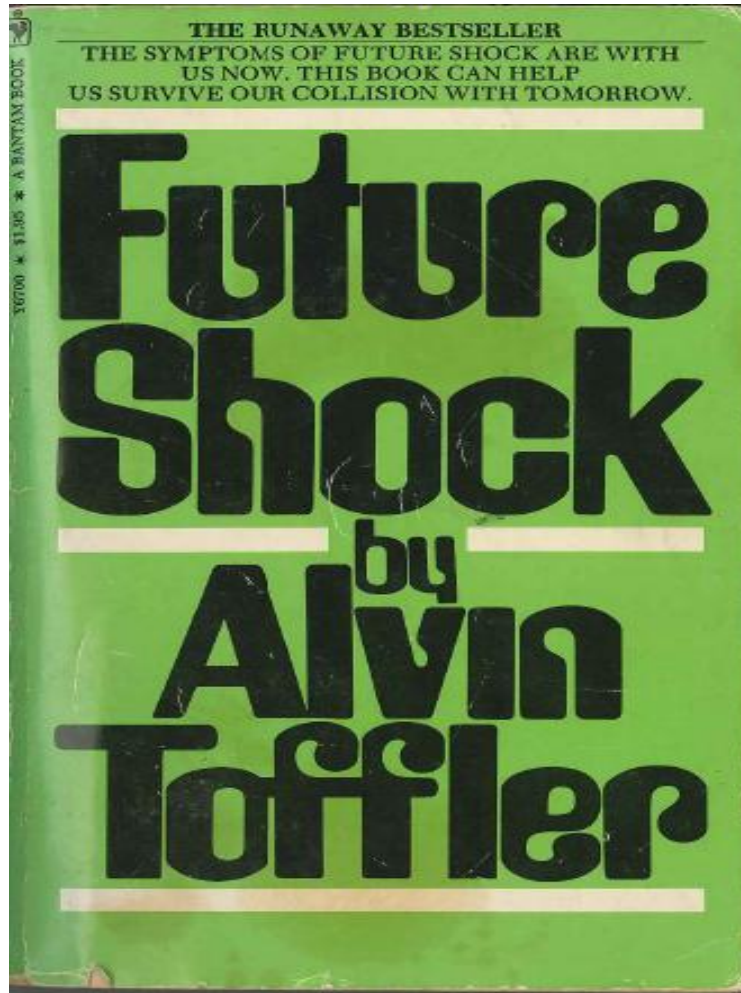


"No one born after the turn of the century has ever known anything but a world uprooting its foundations, overturning its values and toppling its idols."

Peter Drucker 1957



In 1971, Alvin Toffler Wrote That the Pace of Change...



"Is the dizzying disorientation brought on by the premature arrival of the future, a product of the greatly accelerated rate of change in society."



"Too often we enjoy
the comfort of
opinion without the
discomfort of
thought."

John F. Kennedy







Urbanization

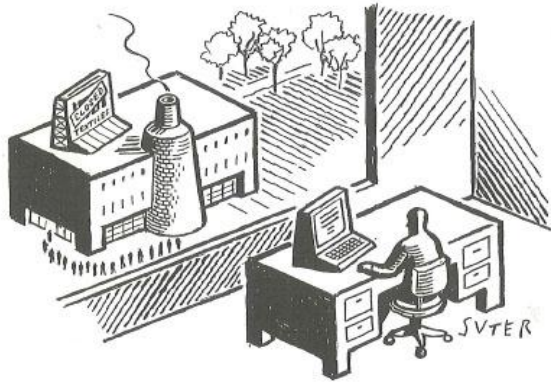
**We Are Becoming A World Where People Live
in Urban Regions**





AFTER THE FACTORIES

CHANGING EMPLOYMENT PATTERNS
IN THE RURAL SOUTH



SOUTHERN GROWTH POLICIES BOARD
RESEARCH TRIANGLE PARK, NORTH CAROLINA

“What we begin to notice in 1983 was an alarming economic decline in the non-metropolitan South.”

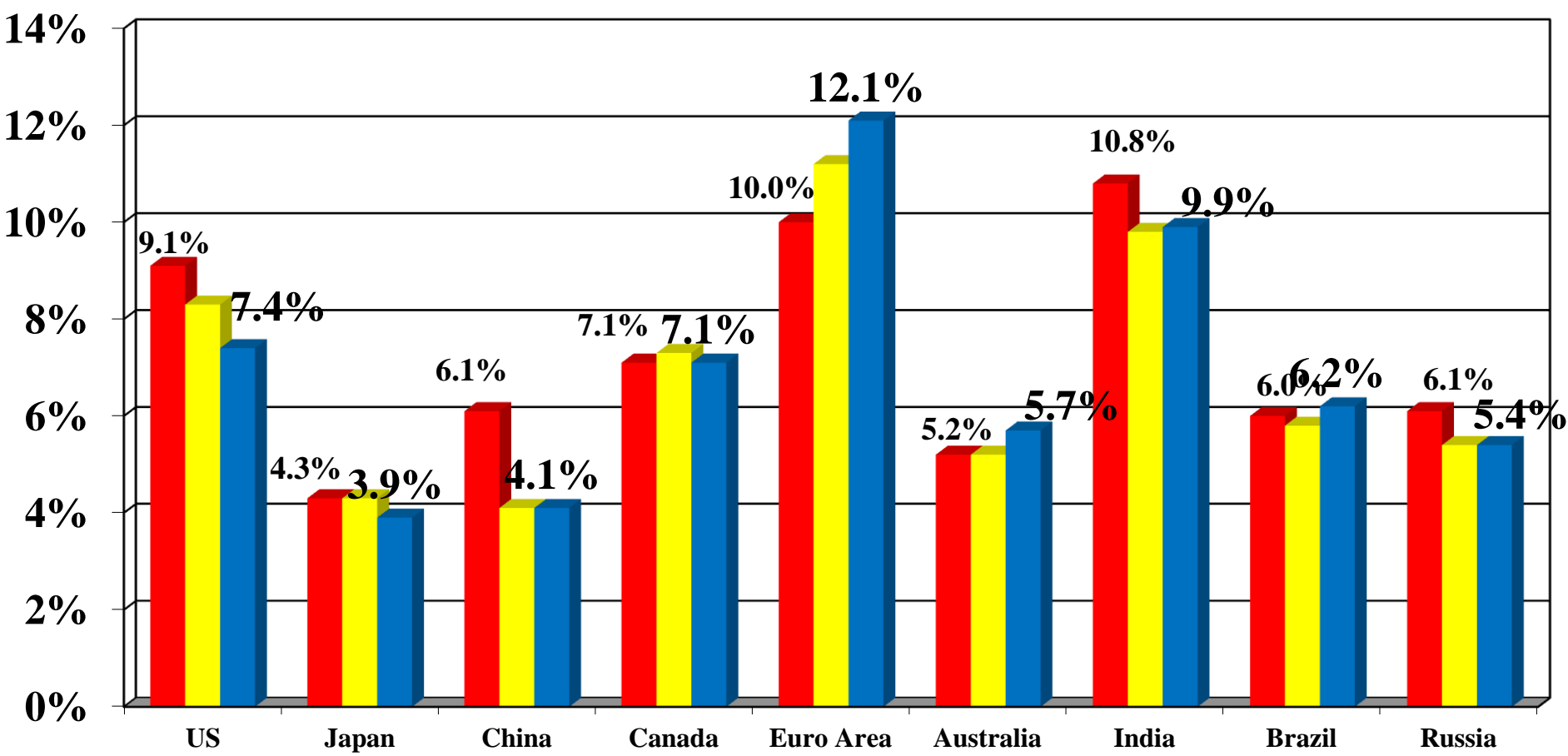


ECONOMIC
LEADERSHIP

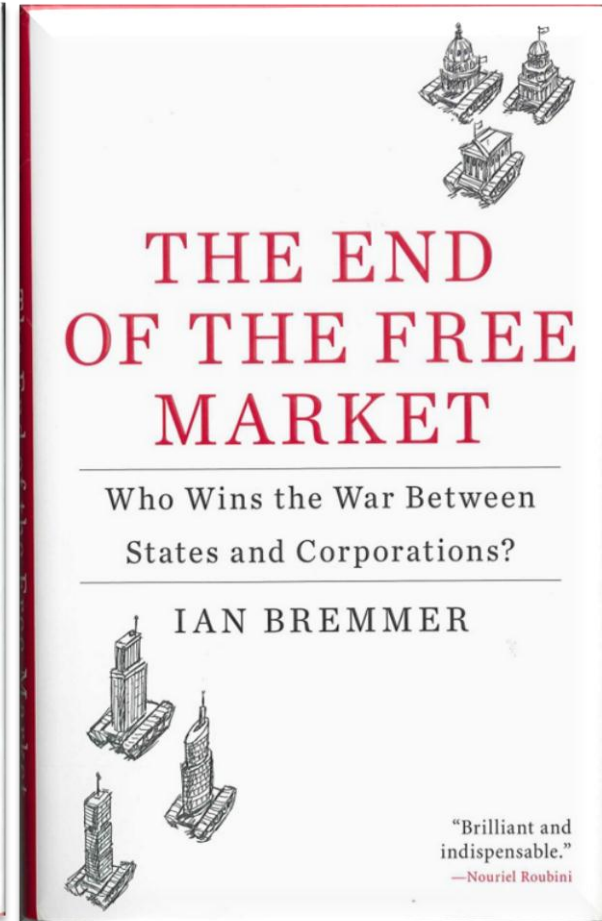
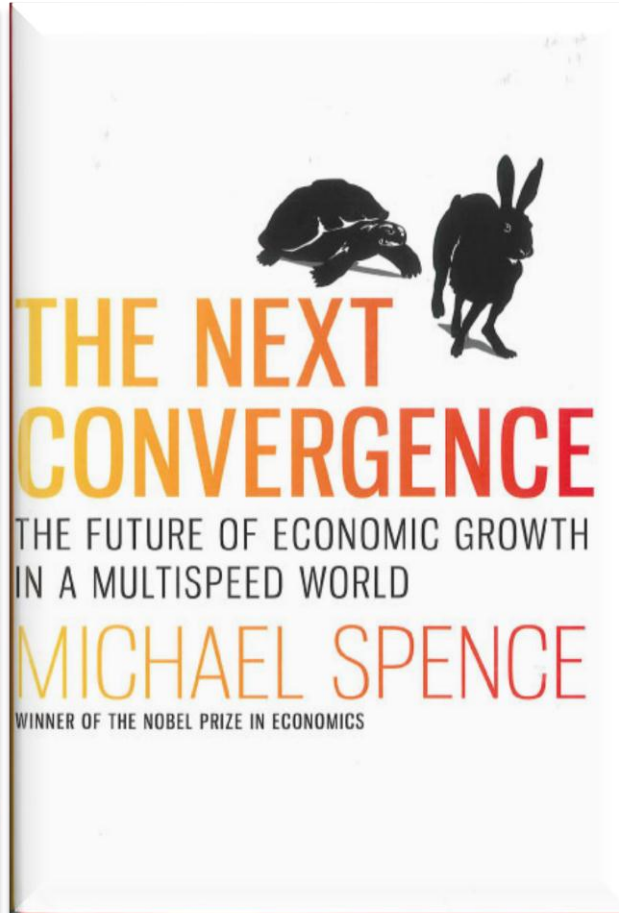
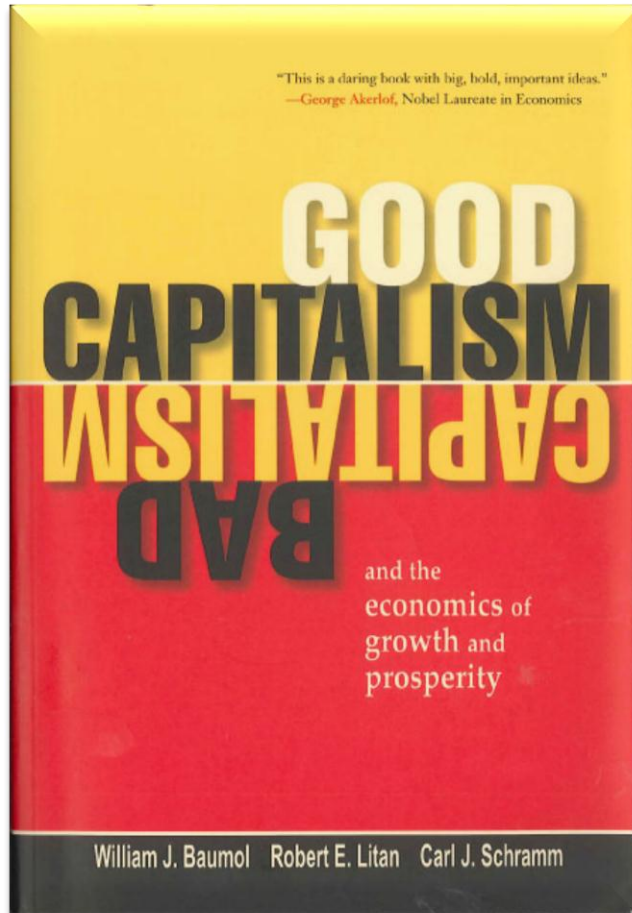
What are the Economic Implications?



Global Unemployment Rates Last 3-Years Comparison

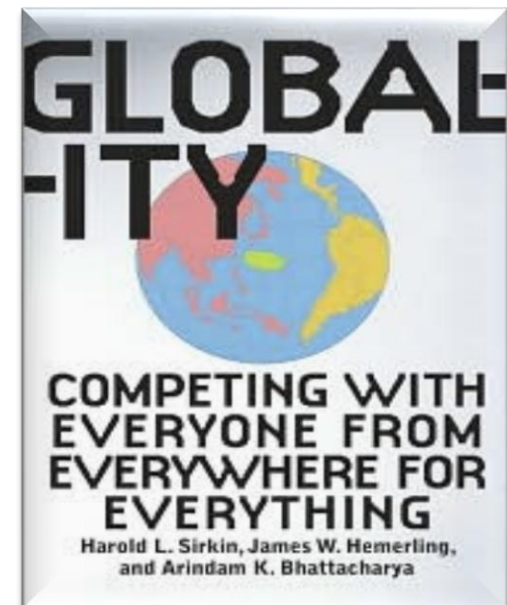
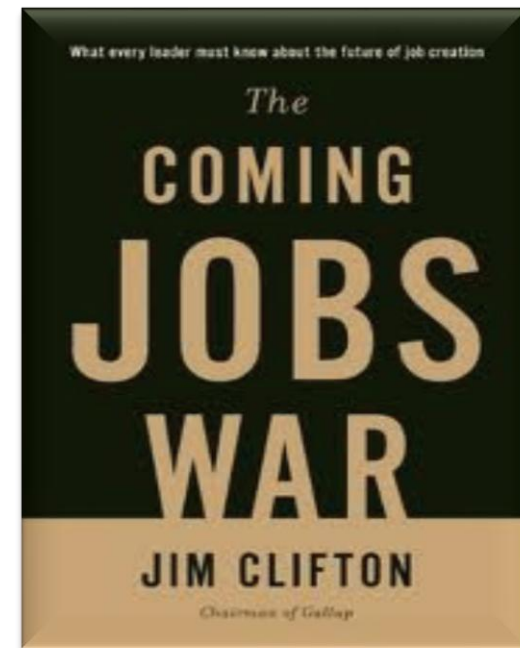


What are the Competitive Implications

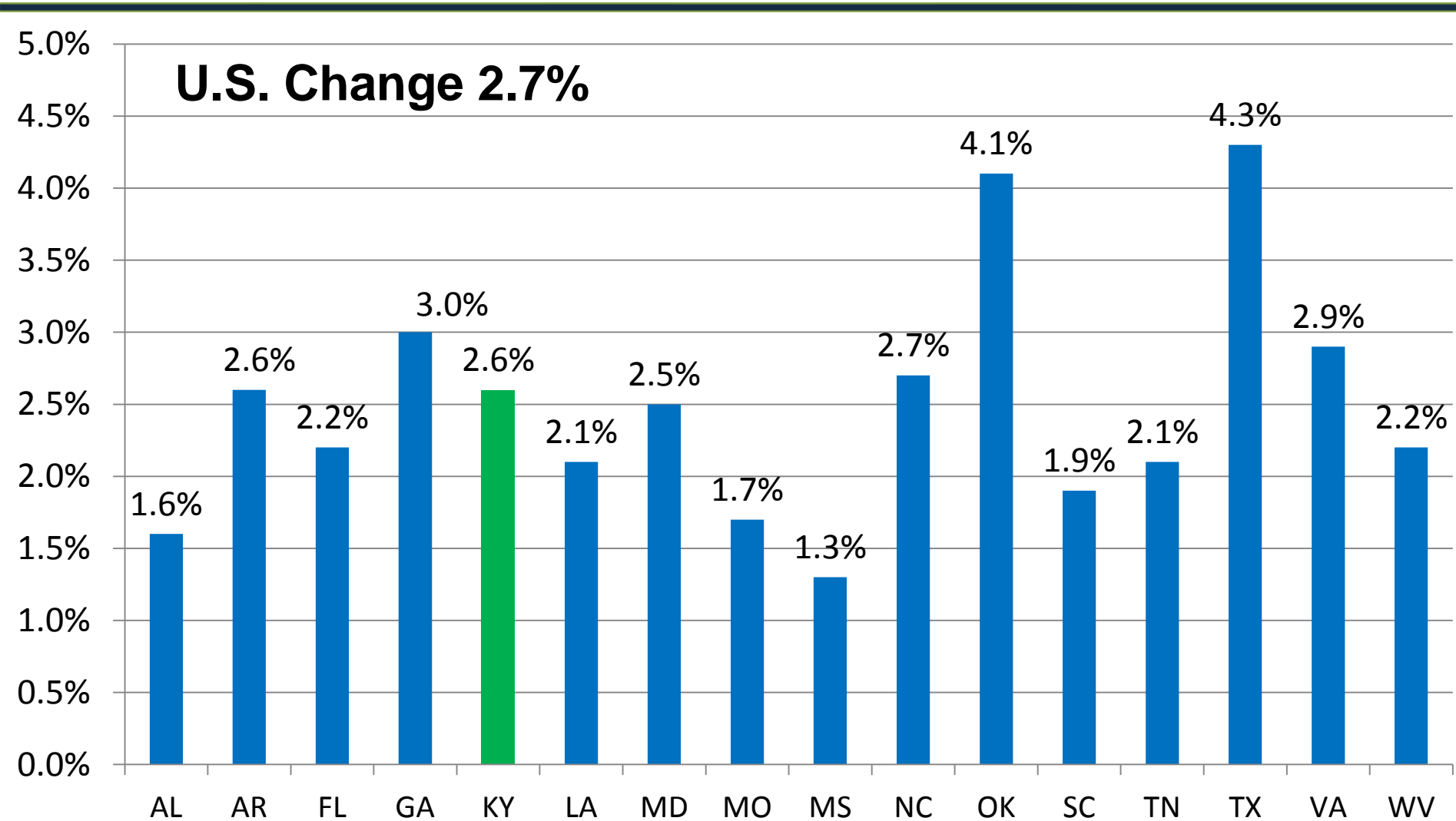


Intensifying Competition

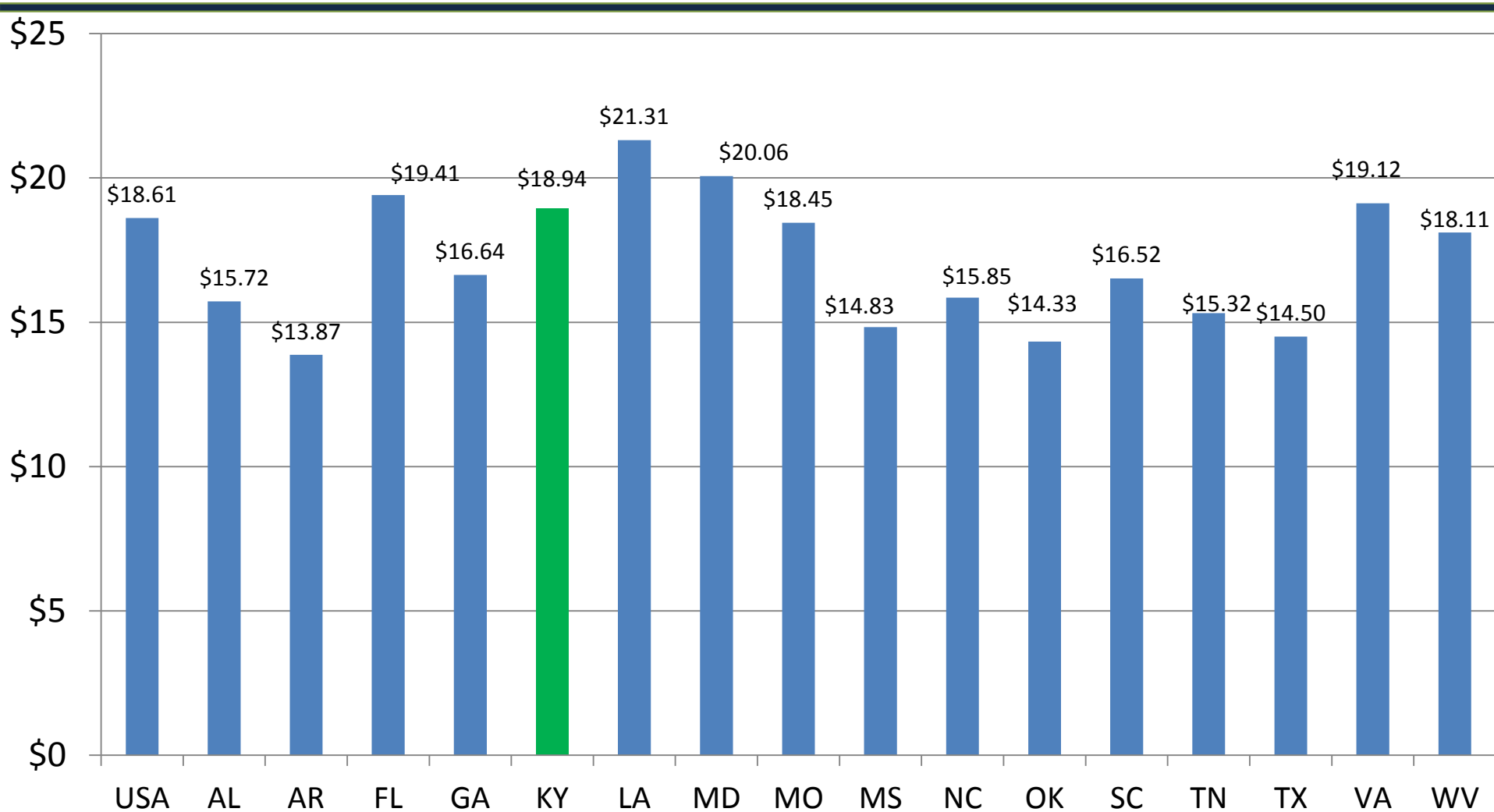
Jobs, Investment, Customers, Talent,
Natural Resources, Geopolitical
Friends, Space, Students, Funding,
Influence...



Southern States Real Personal Income Change 2011

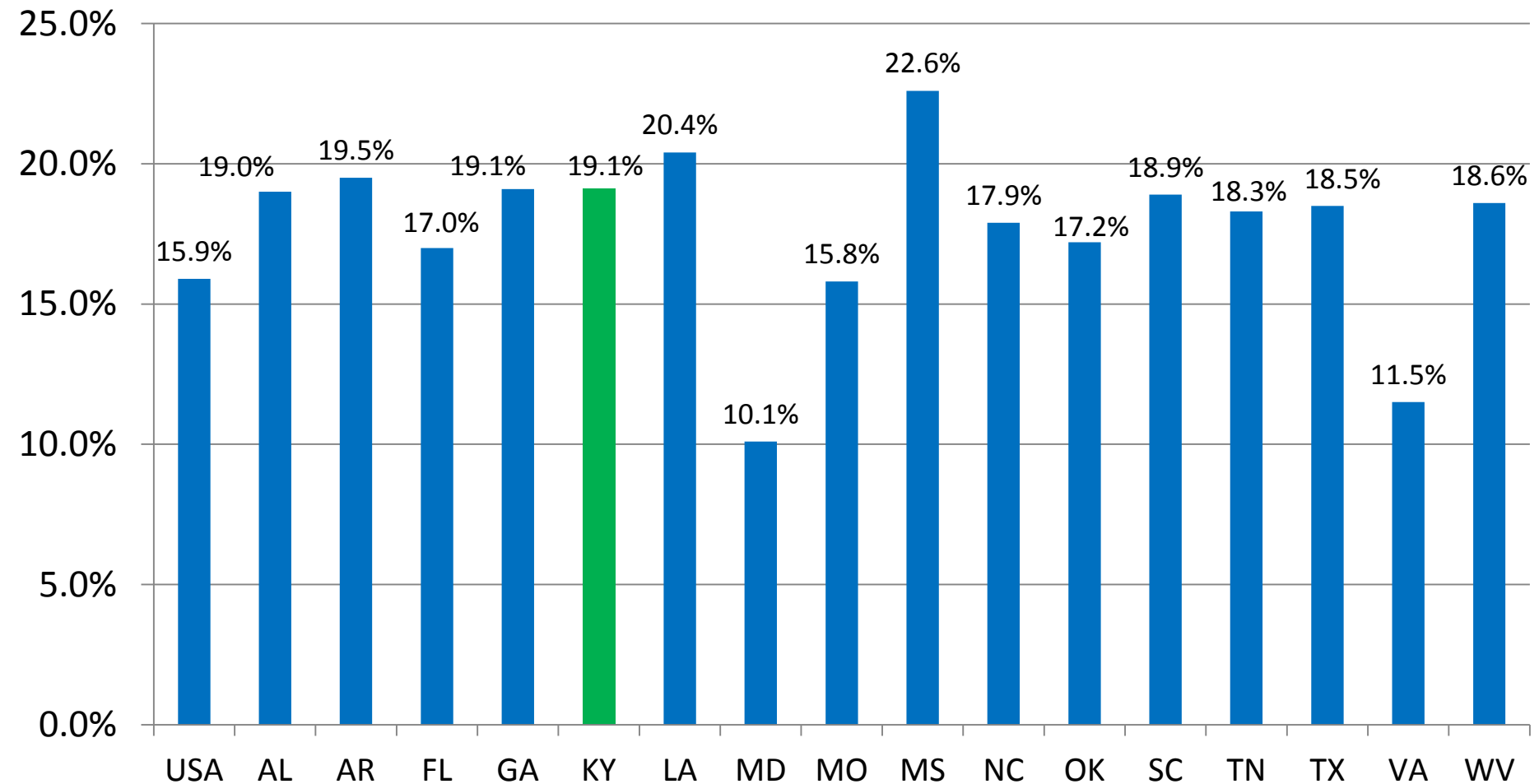


Southern States Hourly Earning Per Employee



Southern States

Percentage of People Living Below the Poverty Rate



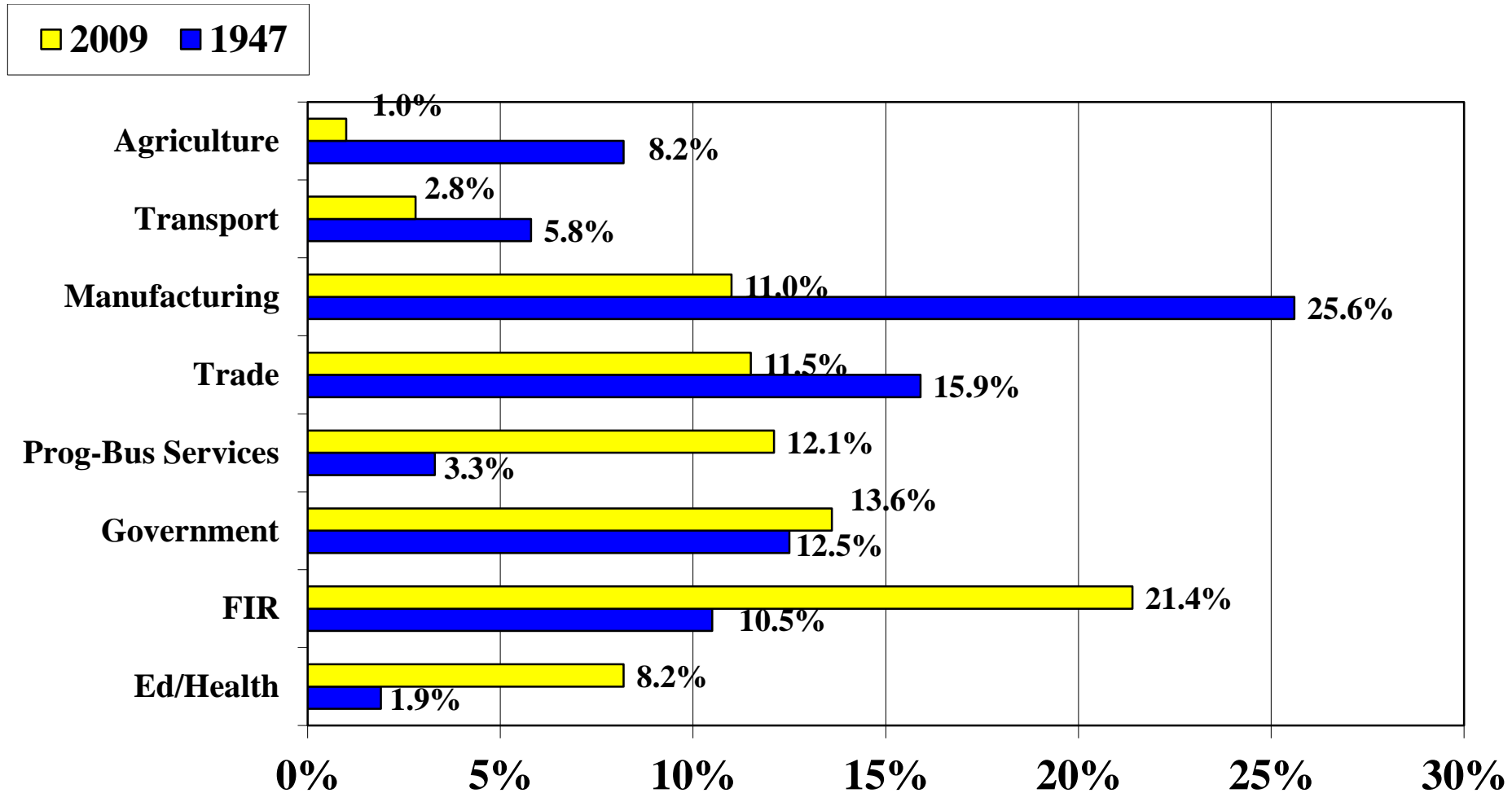
PERCENT OF PEOPLE BELOW POVERTY LEVEL IN THE PAST 12 MONTHS (FOR WHOM POVERTY STATUS IS DETERMINED)



Corporate Reínvención



WWII to 2009 U.S. Job Shifts



Change in Size of Establishment BY NUMBER OF EMPLOYEES 2002-2012

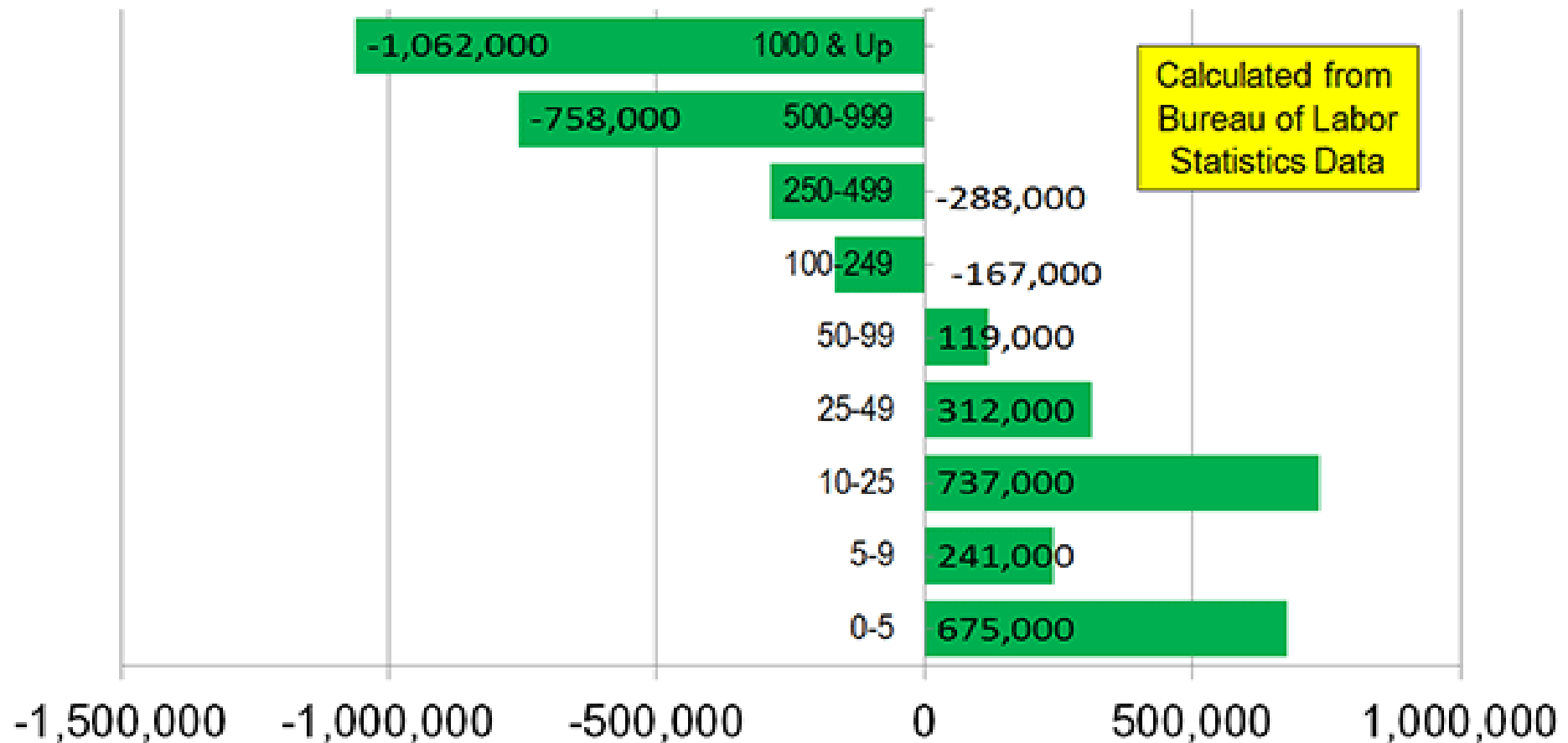
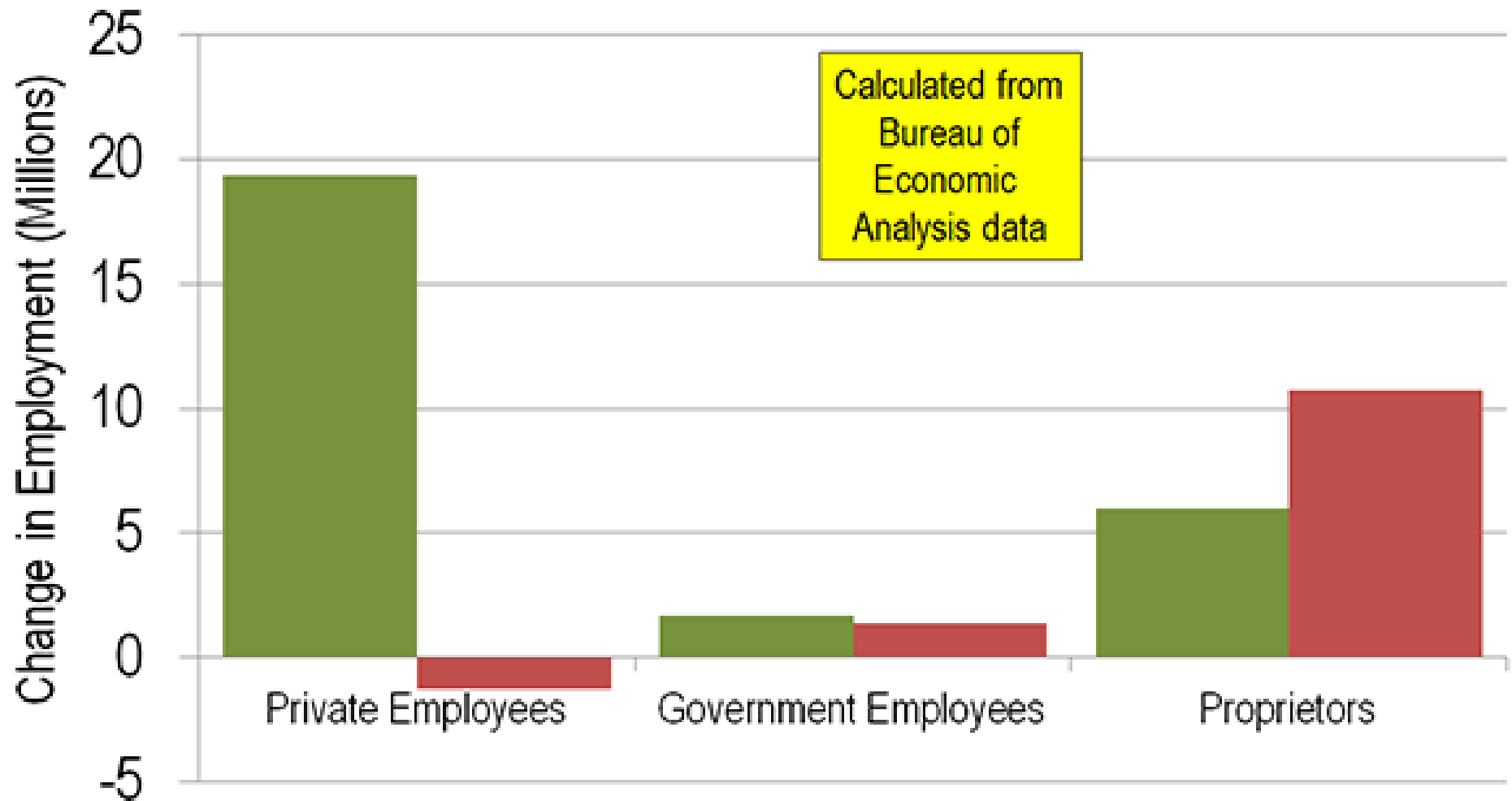


Figure 4

Change US Employment

1990-2000 COMPARED TO 2000-2011



Everybody entrepreneurs



- Cities
- Big companies
- Rural communities
- And Higher education

Your Entrepreneur EDGE™



Power-On

For **EVERYONE** who wants an **EDGE!**
In **STARTING** a new business
In **GROWING** an existing business

FOR ENTREPRENEUR
ADVISORS
COUNSELORS
COACHES
AND INVESTORS

Roger R. Pearman • R. Daniel Parks
Barry Phillips • Marcus C. King

Can We Sustain Growth In the Growing Sectors?



Do We Have Enough Good Jobs?

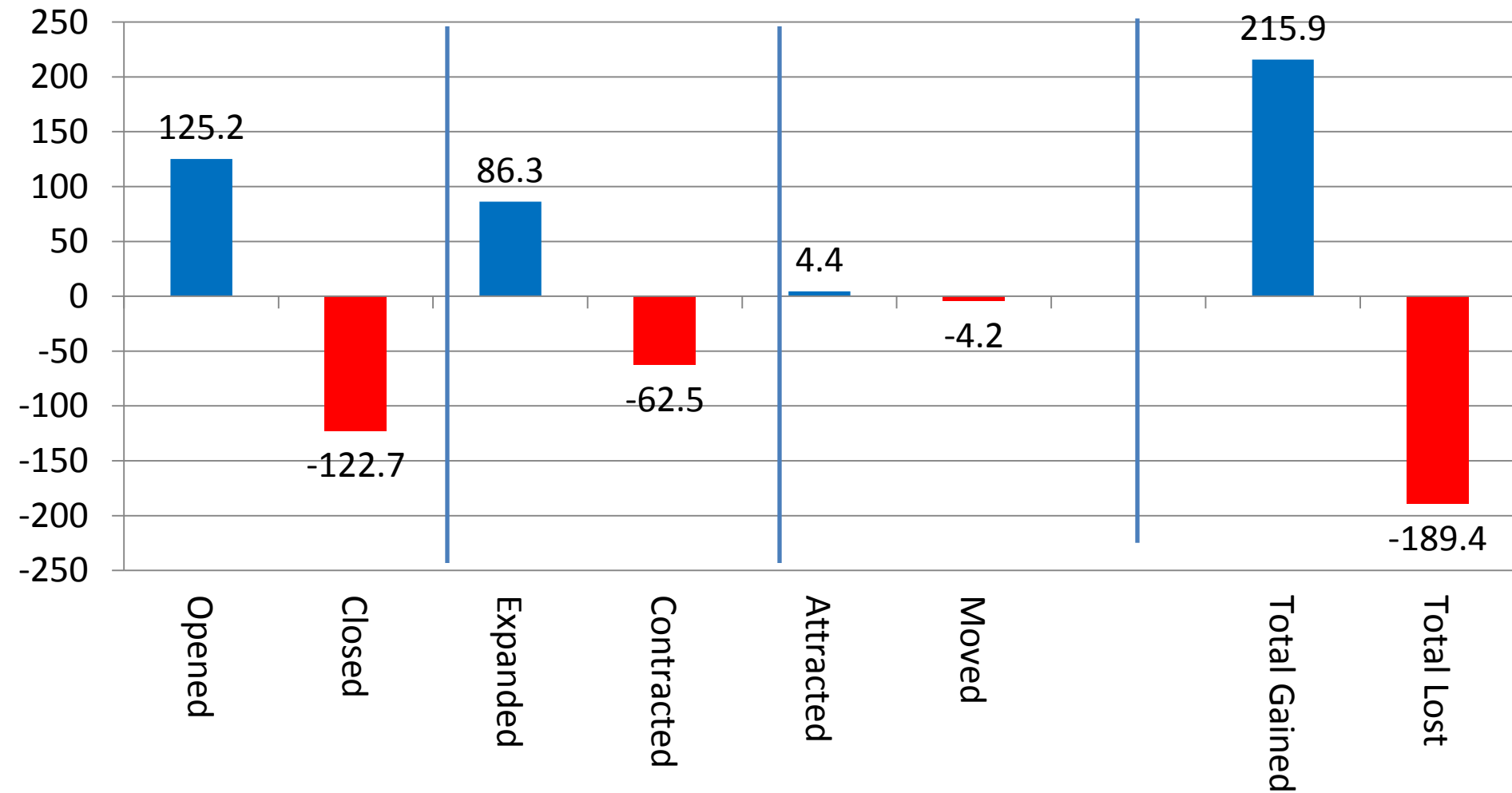
- $\frac{3}{4}$ of job openings due to growth and replacement needs over the next 10 years will pay a median wage of less than \$35,000/yr.
- BLS's top 3 occupational categories account for $\frac{1}{3}$ of the workforce in 2010- 49 million jobs
- Office & admin support (\$30,710)
- Sales and related occupations (\$24,370)
- Food preparation & serving (\$18,770)

Do We Have Enough Good Jobs?

Occupations projected to provide the largest number of new jobs

- Child care workers (\$19,300)
- Personal care aides (\$19,640)
- Home health aides (\$20,560)
- Janitors and cleaners (\$22,210)
- Teacher's assistants (\$23,220)

U.S. Net New Jobs 1995-2010



Technology



Technological Disruptions

Chemical-based
photo technology



“Image is
Everything”

6 billion a month uploaded to Facebook

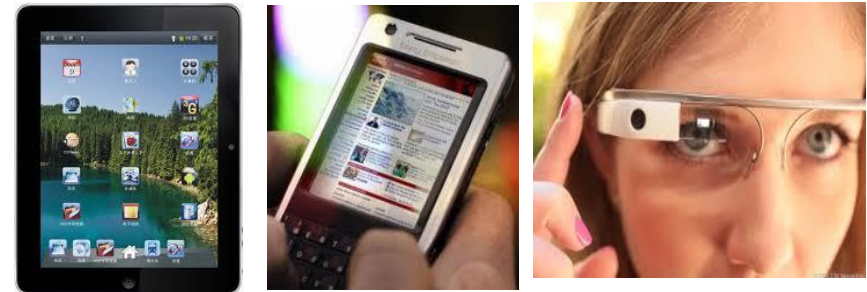
McKinsey & Company

Disruptive Technologies: May 2013

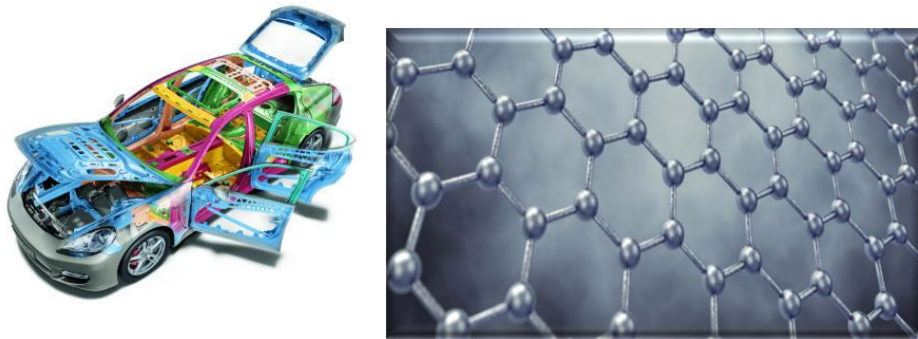
Energy



Mobile Internet



Advanced Materials



Next Generation Genomics



Robotics, Cloud, Digital-intel, 3D Printing

It must be nice to work in an industry that has not changed any in a thousand years!

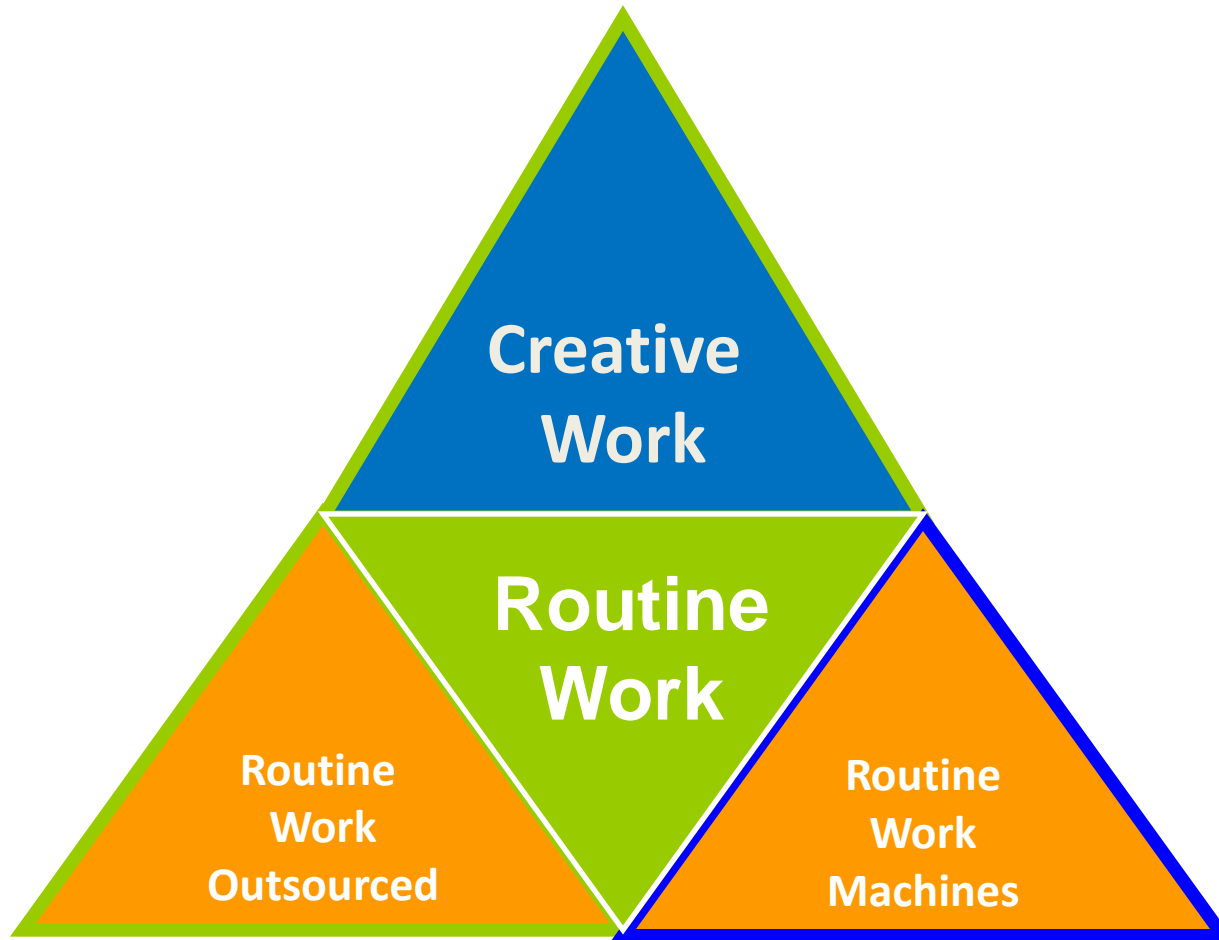


Just
kidding

The Talent Bar



Work Shifts



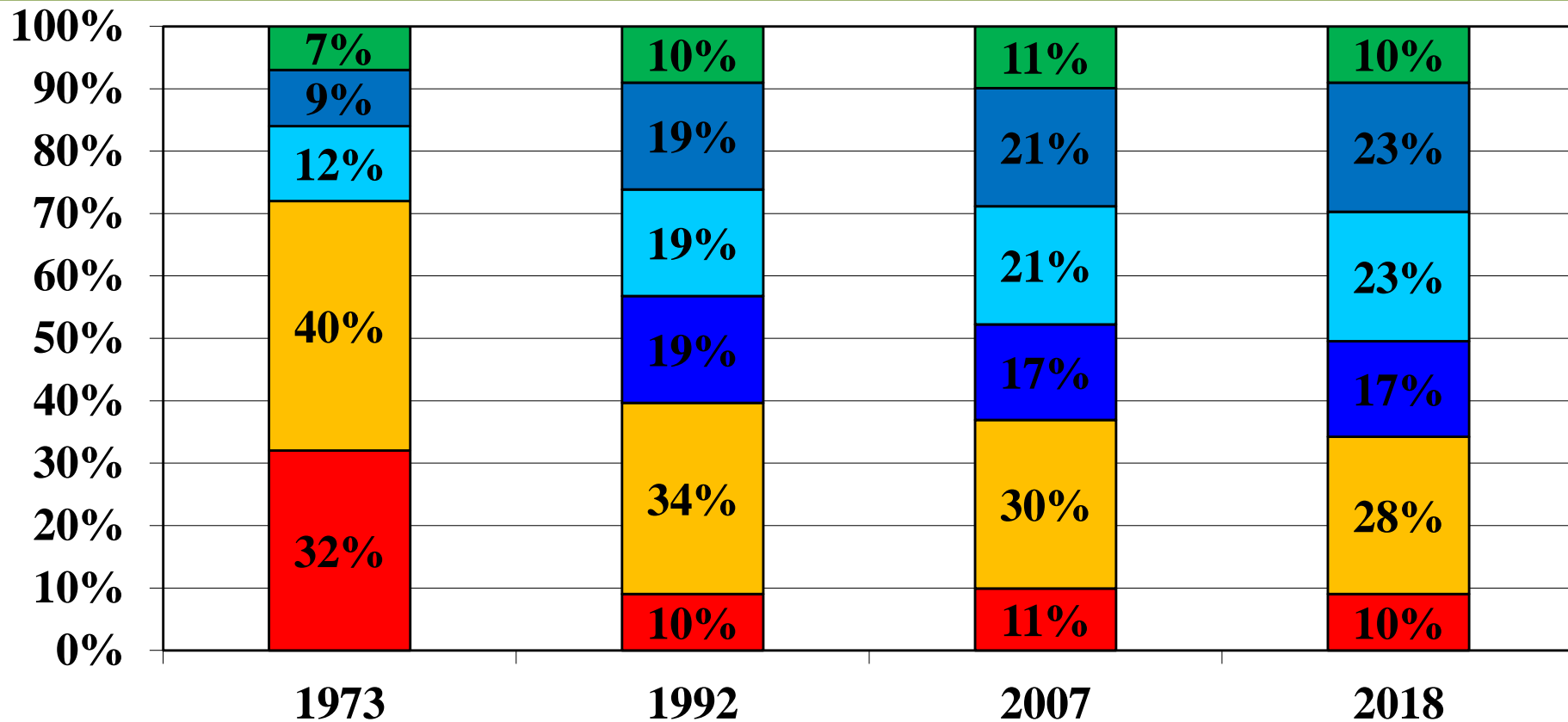
“What is different now is the nature of jobs going away has changed...the type of jobs affected have moved up the income distribution.”

Peter Diamond

MIT Economist

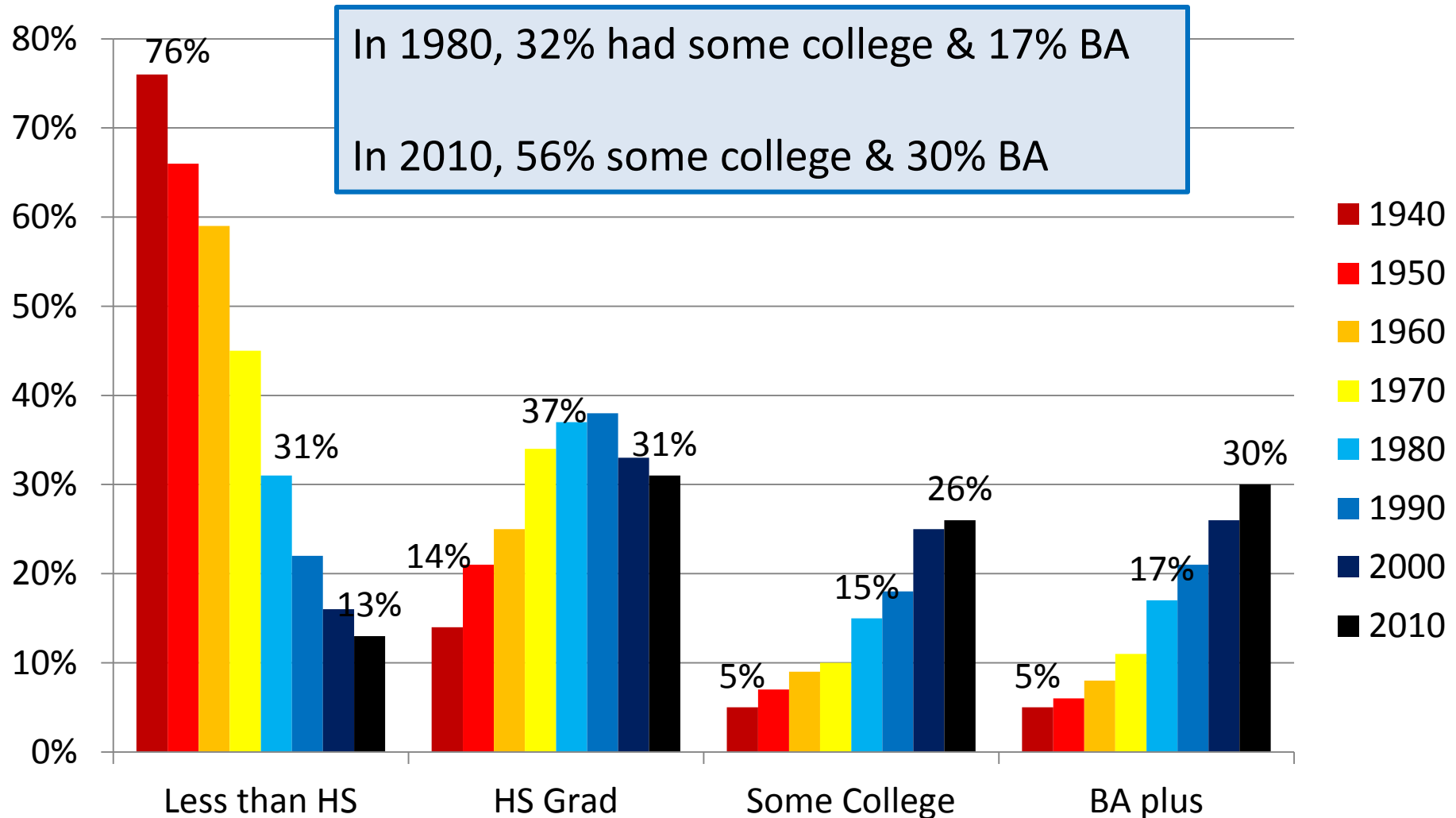
2010 Nobel Prize Winner

Educational Requirements For U.S. Jobs 1973-2018



■ HS Dropouts ■ HS Grads ■ Some College ■ Assoc. Degree ■ BA ■ Grad Degree

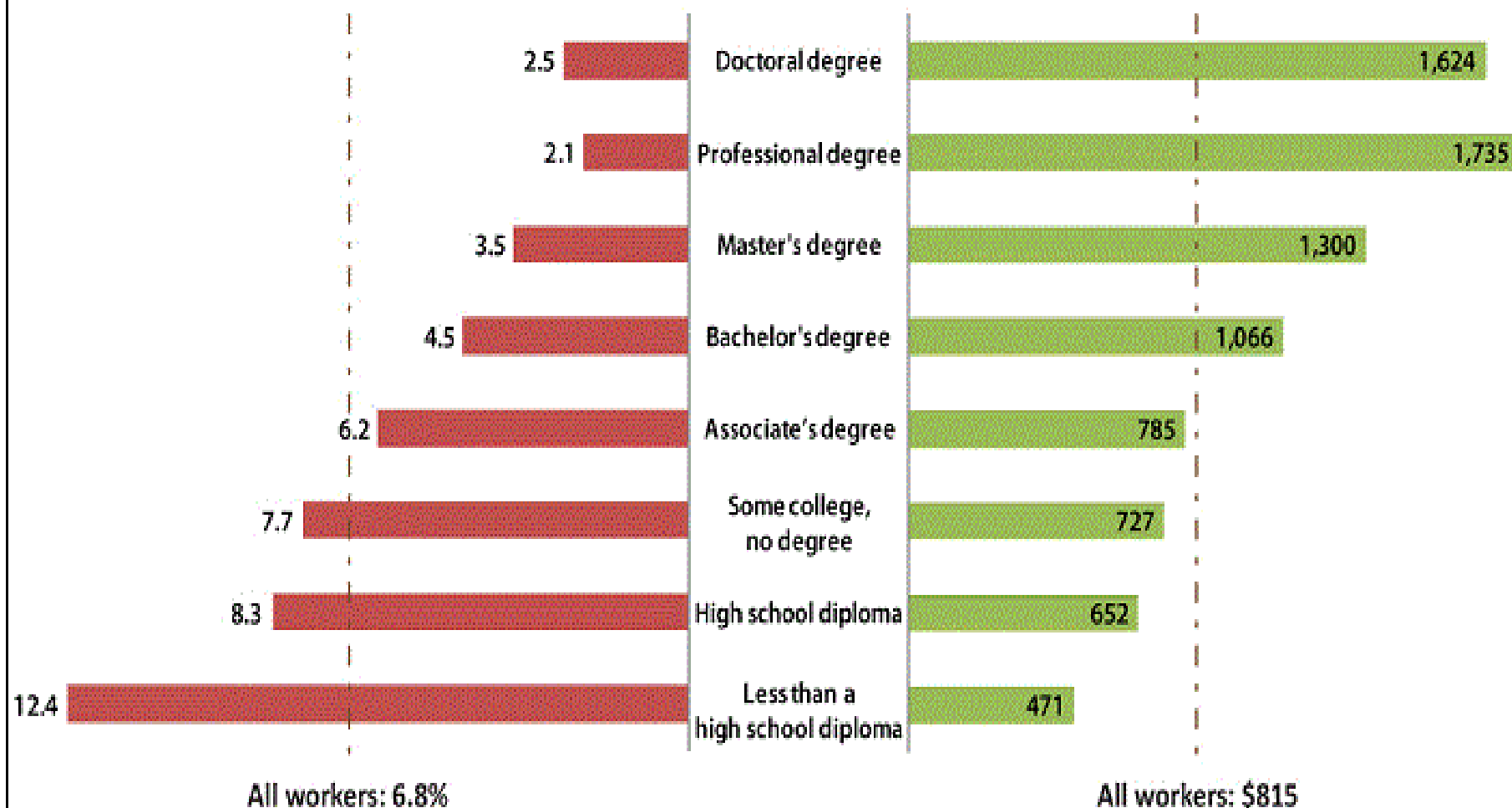
US Adults Years School Completed



Earnings and unemployment rates by educational attainment

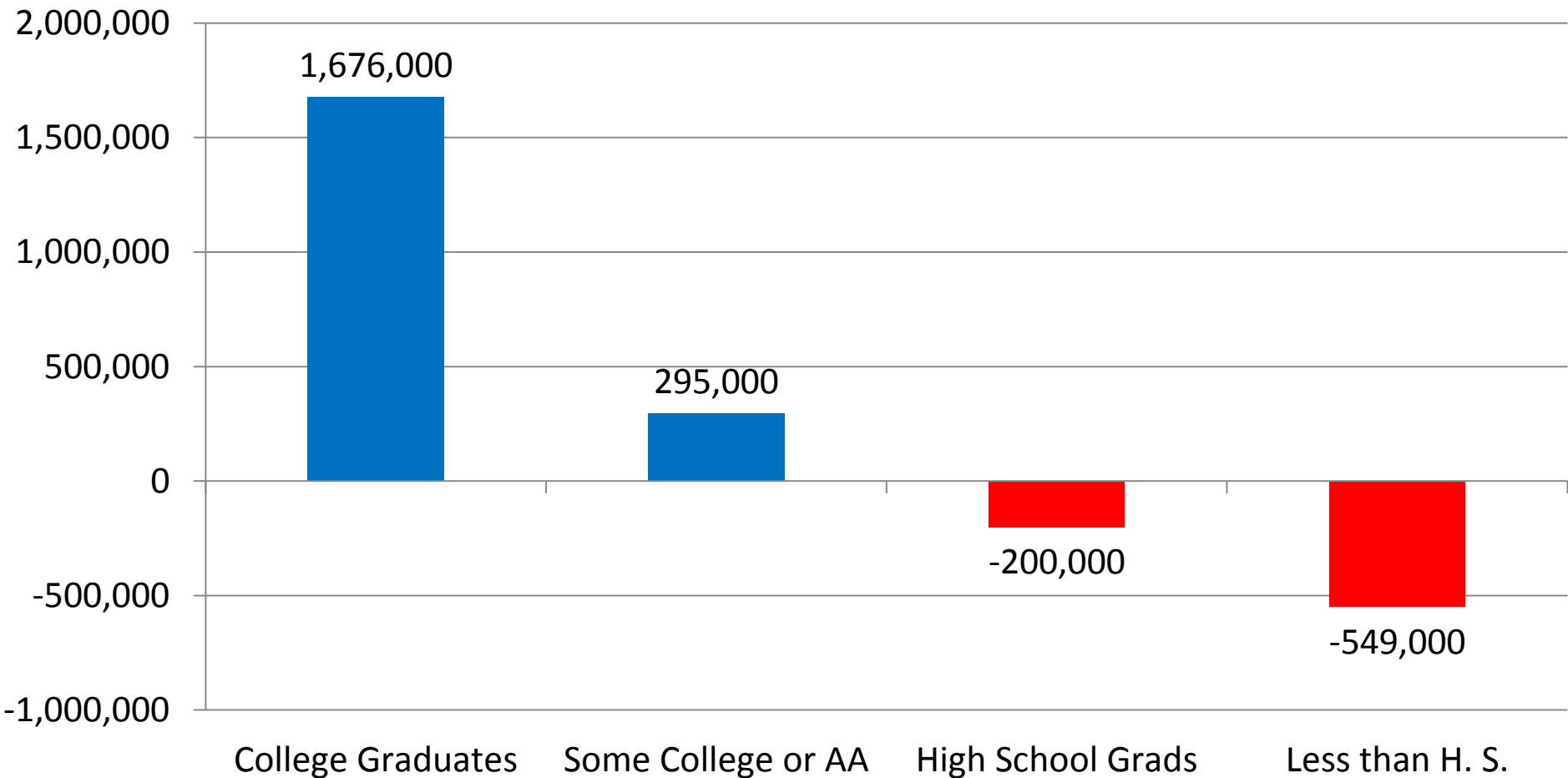
Unemployment rate in 2012 (%)

Median weekly earnings in 2012 (\$)

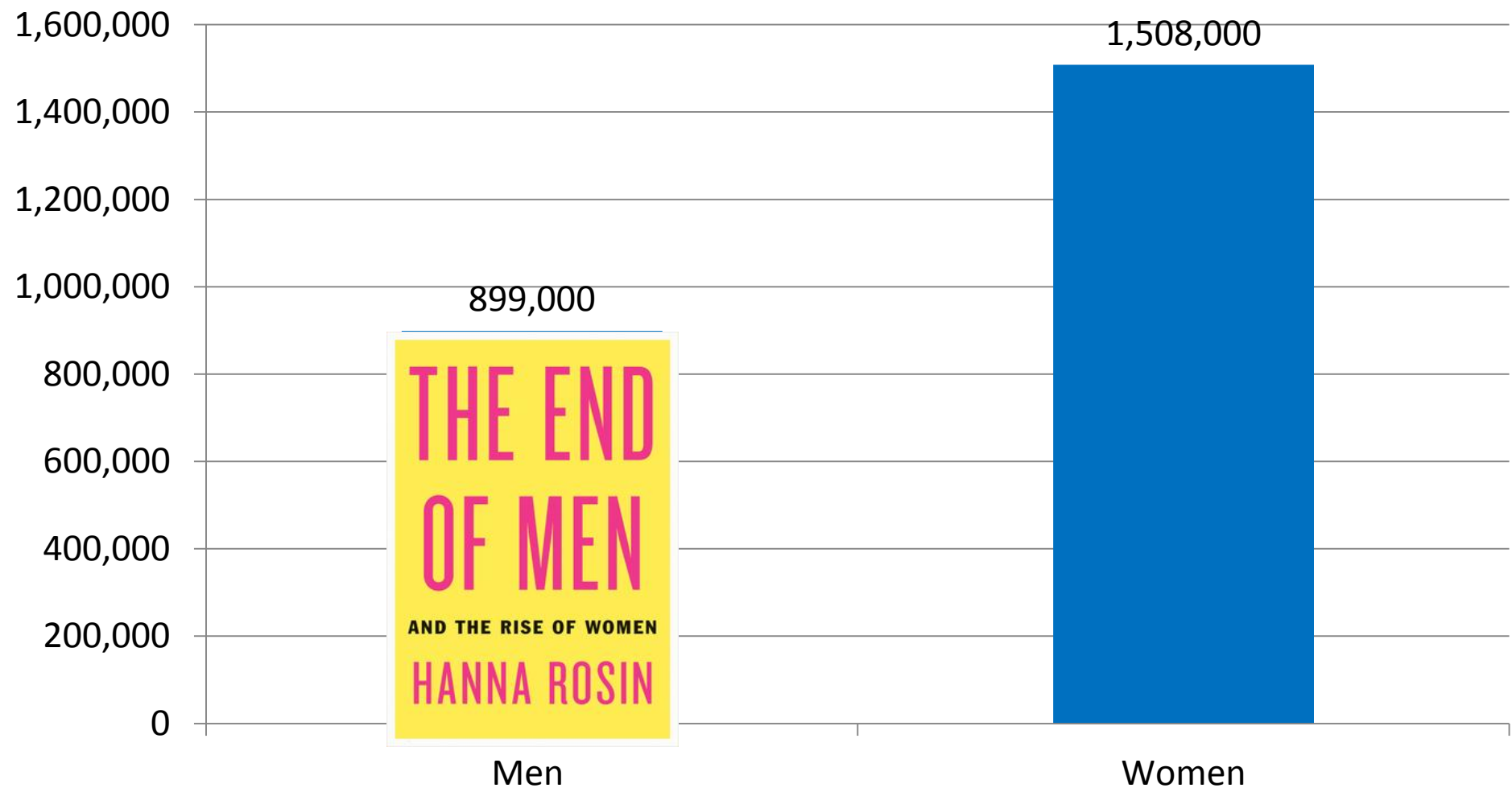


Source: Bureau of Labor Statistics, Current Population Survey

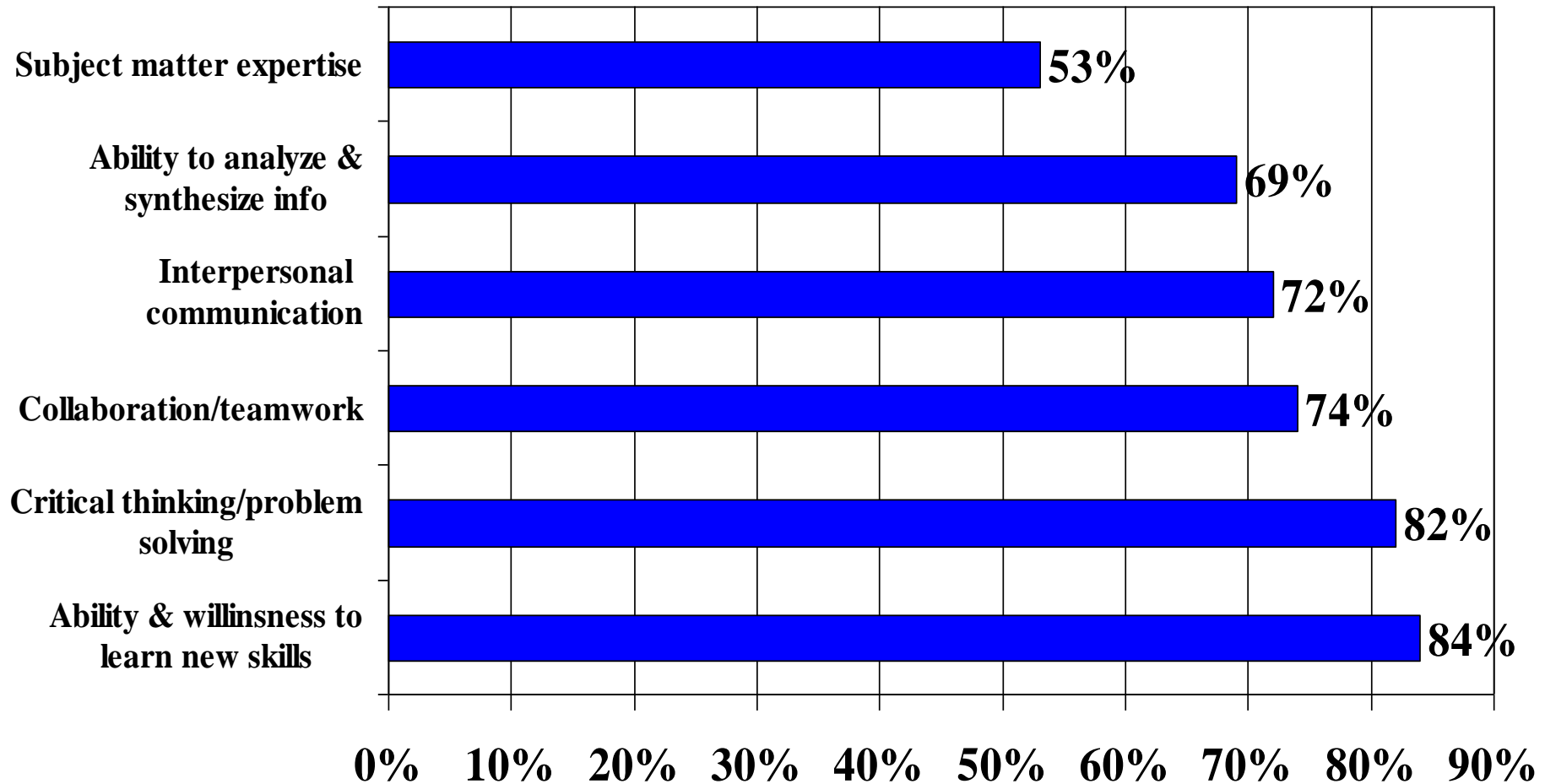
U.S. Job Gains/Losses in 2012



Job Gains/Losses in 2012



Importance of Skills When Hiring?



Most Valuable Skills for Job Candidates

- ✓ Communication Skills
- ✓ Strong Work Ethic
- ✓ Teamwork Skills
- ✓ Initiative
- ✓ Interpersonal Skills
- ✓ Problem-solving Skills
- ✓ Analytical Skills
- ✓ Flexibility-Adaptability
- ✓ Computer Skills





Leadership

From Their Leaders, People Want

- Passion
- Decisiveness
- Conviction
- Integrity
- Adaptability
- Emotional toughness
- Self-knowledge
- Humility



What Makes A Great Leadership Team?

- High expectations
- Clear purpose
- Structured process
- Trust
- Accountability
- Honest reality



**Stand up, shake hands with
the person next to you and say
hello!**



Social Capital

“Consists of the stock of active connections among people; the trust, mutual understanding, and shared values and behaviors that bind the members of human networks and communities and make cooperative action possible.”

Cohen & Prusak 2001

What is a Commitment to Collaborate?



So What...





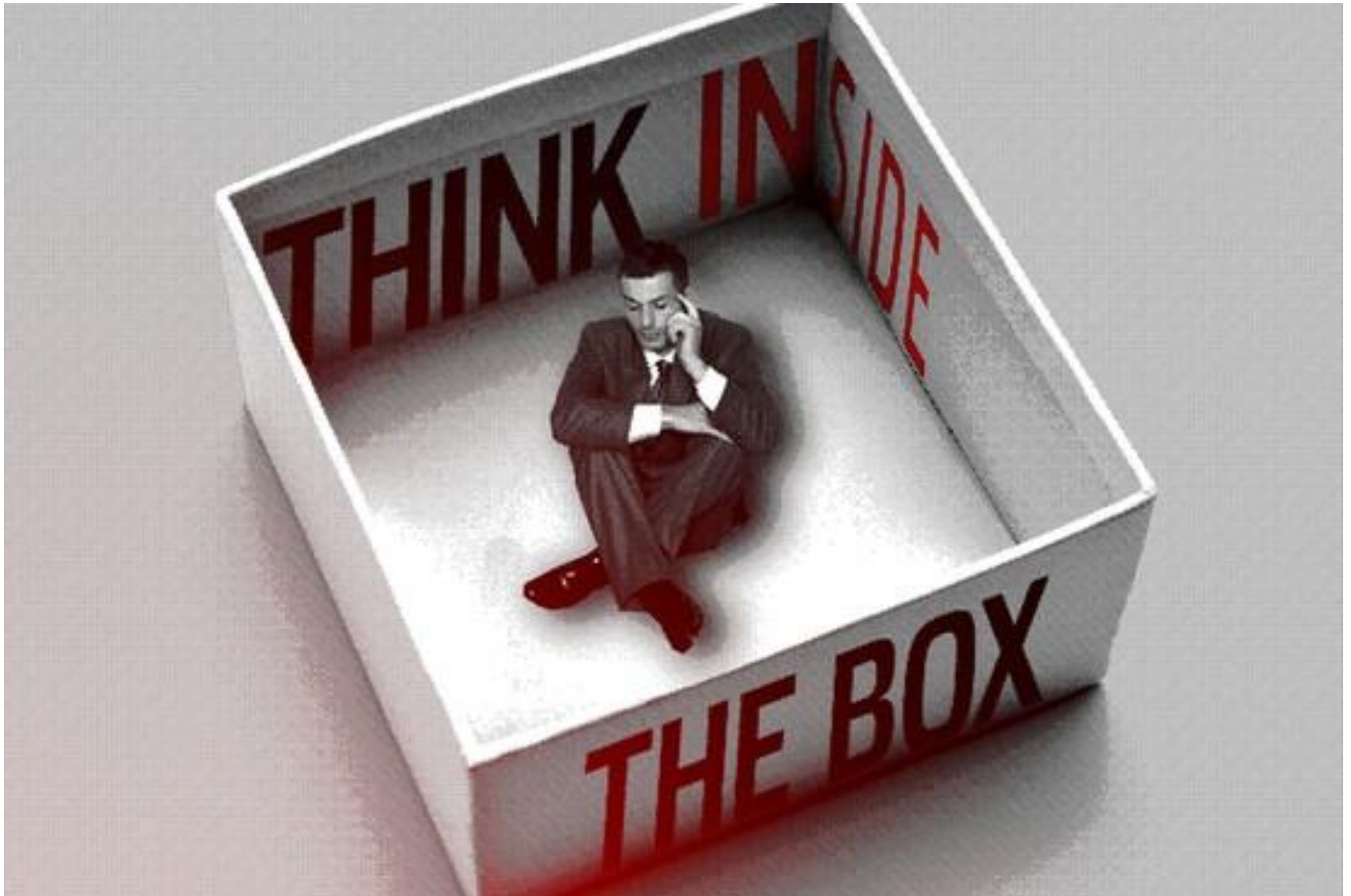
So What Are Some of the Things We Now Know We Know About Higher Education and the Economy?



Listening To The South

- Stop tinkering at the edges with Education and Workforce Development
- Act Earlier- leaning starts before children reach school
- We are shortchanging both our students and our businesses if we promote 4-year colleges as the only pathway to success
- It is not all about technical (hard) skills
- Businesses need to play a key role
- Success requires a systems approach





Re-imagine Readiness

- Strengthen the connections between education and job skills
- Re-think credentials and their value in the workplace
- Give students more exposure to the world of work
- Scale technology so that every student can benefit from a high quality, personalized learning experience



Re-engage Adult Learners and Disconnected Youth

- Target workers with some credits, but no degree or credential





What is the value of some college?

Re-engage Adult Learners and Disconnected Youth

- Target workers with some credits, but no degree or credential
- Help dislocated workers rejoin the workforce
- Recover disconnected youth



Re-align Relationships and Resources

- Create a continuity in education and workforce development from early childhood through career
- Align and track data across the education and workforce pipeline
- Engage business in a meaningful way



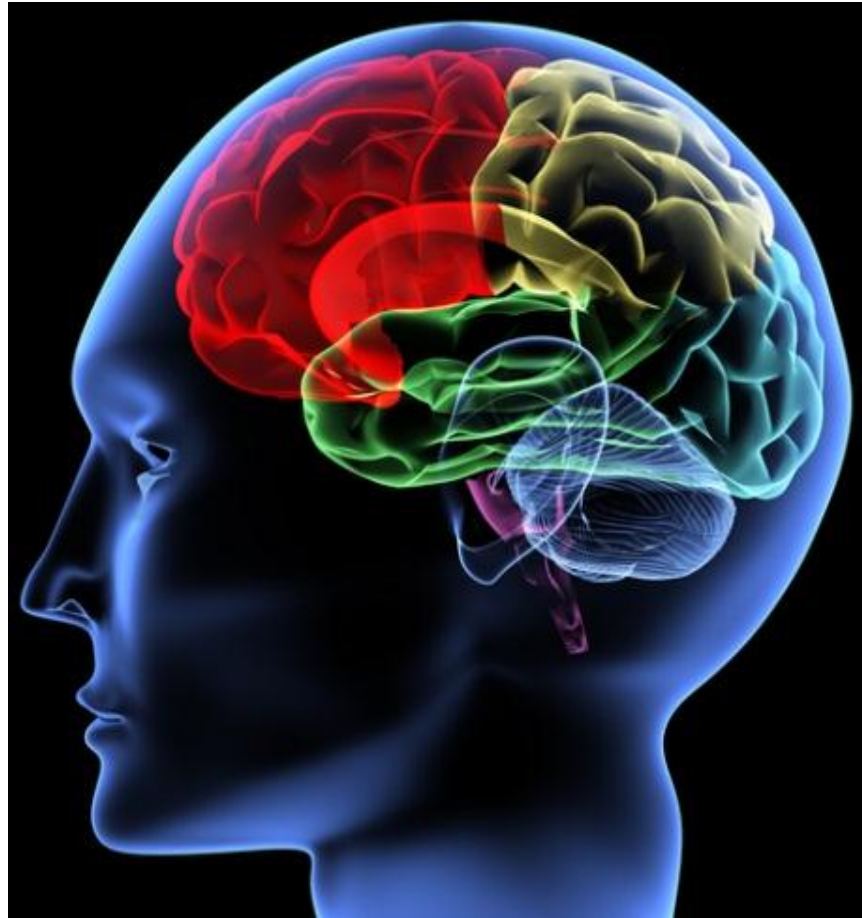


*"A society grows great
when old men plant
trees whose shade they
know they will never
sit in."*

Greek Proverb







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